

Article - Estates and Trusts

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§15–116.

Notwithstanding any other provision of law, and except as otherwise provided in the governing instrument, the duties of a trustee regarding the acquisition, retention, or ownership of a contract of insurance on the life of the grantor of the trust, or on the lives of the grantor and the grantor's spouse, children, or grandchildren, include a duty of loyalty and fair dealing, but do not include a duty to:

- (1) Determine whether any contract of life insurance in the trust is or remains a proper investment;
- (2) Diversify the investment; or
- (3) Exercise any policy options, rights, or privileges available under any contract of life insurance in the trust, including any right to borrow the cash value or reserve of the policy, acquire a paid-up policy, or convert to a different policy.

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